

By: Representatives Frierson, Janus,  
Palazzo, Guice

To: Marine Resources; Ways  
and Means

HOUSE BILL NO. 1126

1 AN ACT TO AMEND CHAPTER 460, LAWS OF 2006, TO AUTHORIZE BOND  
2 PROCEEDS AUTHORIZED TO BE ISSUED FOR THE DEPARTMENT OF MARINE  
3 RESOURCES TO BE UTILIZED TO PURCHASE REAL ESTATE AND PAY FOR  
4 ADMINISTRATION AND PERSONNEL EXPENSES; TO LIMIT THE AMOUNT OF BOND  
5 PROCEEDS THAT MAY BE UTILIZED FOR OPERATIONAL EXPENSES; AND FOR  
6 RELATED PURPOSES.

7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

8 **SECTION 1.** Chapter 460, Laws of 2006, is amended as follows:

9 Section 1. As used in Sections 1 through 19 of this act, the  
10 following words shall have the meanings ascribed herein unless the  
11 context clearly requires otherwise:

12 (a) "Accreted value" of any bond means, as of any date  
13 of computation, an amount equal to the sum of (i) the stated  
14 initial value of such bond, plus (ii) the interest accrued thereon  
15 from the issue date to the date of computation at the rate,  
16 compounded semiannually, that is necessary to produce the  
17 approximate yield to maturity shown for bonds of the same  
18 maturity.

19 (b) "State" means the State of Mississippi.

20 (c) "Commission" means the State Bond Commission.

21 (d) "Department" means the Mississippi Department of  
22 Marine Resources.

23 Section 2. (1) (a) A special fund, to be designated as the  
24 "Department of Marine Resources Equipment and Facilities Fund," is  
25 created within the State Treasury. The fund shall be maintained  
26 by the State Treasurer as a separate and special fund, separate  
27 and apart from the General Fund of the state. Unexpended amounts  
28 remaining in the fund at the end of a fiscal year shall not lapse  
29 into the State General Fund, and any interest earned or investment

30 earnings on amounts in the fund shall be deposited into such  
31 special fund.

32 (b) Monies deposited into the fund shall be disbursed,  
33 in the discretion of the department, to provide funds to purchase  
34 real property and pay the cost of administration and personnel  
35 expenses, necessary equipment and repairs, renovation and  
36 construction of facilities necessary for the improvement of the  
37 marine resources of the state; however, operational expenses  
38 authorized to be paid under this act shall not exceed three  
39 percent (3%) of the total amount of bonds issued under this act.

40 (c) Before any real estate may be purchased with the  
41 proceeds of bonds authorized to be issued pursuant to this act,  
42 the fair market value of the real estate shall be determined by  
43 the averaging of at least two (2) appraisals by Mississippi  
44 Certified General Appraisers. The proceeds of bonds issued  
45 pursuant to this act may be utilized to pay the cost of the  
46 appraisals.

47 (2) Amounts deposited into such special fund shall be  
48 disbursed to pay the costs described in subsection (1) of this  
49 section. If any monies in such special fund are not used within  
50 five (5) years after the date the proceeds of the bonds authorized  
51 under this act are deposited into the special fund, then the  
52 department shall provide an accounting of such unused monies to  
53 the commission. Promptly after the commission has certified, by  
54 resolution duly adopted, that the projects described in subsection  
55 (1) of this section shall have been completed, abandoned, or  
56 cannot be completed in a timely fashion, any amounts remaining in  
57 such special fund shall be applied to pay debt service on the  
58 bonds issued under this act, in accordance with the proceedings  
59 authorizing the issuance of the bonds and as directed by the  
60 commission.

61           (3) The department is expressly authorized and empowered to  
62 receive and expend any other source funds in connection with the  
63 expenditure of funds provided for in this section.

64           (4) The expenditure of monies deposited into the special  
65 fund shall be under the direction of the department, and those  
66 funds shall be paid by the State Treasurer upon warrants issued by  
67 the Department of Finance and Administration, which warrants shall  
68 be issued upon requisitions signed by the Executive Director of  
69 the Department of Marine Resources or his designee.

70           Section 3. For the purpose of providing for the payment of  
71 the principal of and the interest upon bonds issued under the  
72 provisions of this act, there is hereby created in the State  
73 Treasury the "Department of Marine Resources Equipment and  
74 Facilities Bond Sinking Fund." The sinking fund shall consist of  
75 the money required to be deposited into such fund pursuant to  
76 Section 18 of this act and such other amounts as shall be paid  
77 into such fund by appropriation or other authorization by the  
78 Legislature. Funds required in excess of the amounts available in  
79 the Department of Marine Resources Equipment and Facilities Bond  
80 Sinking Fund to pay the principal of and the interest upon bonds  
81 issued under the provisions of this act shall be appropriated from  
82 the State General Fund. Unexpended amounts remaining in the fund  
83 at the end of a fiscal year shall not lapse into the State General  
84 Fund, and any interest earned or investment earnings on amounts in  
85 the fund shall be deposited into such fund.

86           Section 4. (1) The commission, at one time, or from time to  
87 time, may declare by resolution the necessity for issuance of  
88 general obligation bonds of the State of Mississippi to provide  
89 funds for all costs incurred or to be incurred for the purposes  
90 described in Section 2 of this act. Upon the issuance of a  
91 certificate by the executive director of the department, declaring  
92 the necessity for the issuance of any part or all of the general  
93 obligation bonds authorized by this section, the executive

94 director shall deliver a certified copy of his certificate or  
95 certificates to the commission. Upon receipt of the certificate,  
96 the commission, in its discretion, may act as the issuing agent,  
97 prescribe the form of the bonds, advertise for and accept bids,  
98 issue and sell the bonds so authorized to be sold and do any and  
99 all other things necessary and advisable in connection with the  
100 issuance and sale of such bonds. The total amount of bonds issued  
101 under this act shall not exceed Thirty Million Dollars  
102 (\$30,000,000.00).

103 (2) Any investment earnings on amounts deposited into the  
104 special fund created in Section 2 of this act shall be used to pay  
105 debt service on bonds issued under this act, in accordance with  
106 the proceedings authorizing issuance of the bonds.

107 Section 5. The principal of and interest on the bonds  
108 authorized under this act shall be payable in the manner provided  
109 in this section. The bonds shall bear such date or dates, be in  
110 such denomination or denominations, bear interest at such rate or  
111 rates (not to exceed the limits set forth in Section 75-17-101,  
112 Mississippi Code of 1972), be payable at such place or places  
113 within or without the State of Mississippi, shall mature  
114 absolutely at such time or times not to exceed twenty-five (25)  
115 years from date of issue, be redeemable before maturity at such  
116 time or times and upon such terms, with or without premium, shall  
117 bear such registration privileges, and shall be substantially in  
118 such form, all as shall be determined by resolution of the  
119 commission.

120 Section 6. The bonds authorized by this act shall be signed  
121 by the chairman of the commission, or by his facsimile signature,  
122 and the official seal of the commission shall be affixed thereto,  
123 attested by the secretary of the commission. The interest  
124 coupons, if any, to be attached to the bonds may be executed by  
125 the facsimile signatures of such officers. Whenever any such  
126 bonds shall have been signed by the officials designated to sign

127 the bonds who were in office at the time of such signing but who  
128 may have ceased to be such officers before the sale and delivery  
129 of the bonds, or who may not have been in office on the date that  
130 the bonds may bear, the signatures of such officers upon the bonds  
131 and coupons shall nevertheless be valid and sufficient for all  
132 purposes and have the same effect as if the person so officially  
133 signing the bonds had remained in office until their delivery to  
134 the purchaser, or had been in office on the date the bonds may  
135 bear. However, notwithstanding anything herein to the contrary,  
136 such bonds may be issued as provided in the Registered Bond Act of  
137 the State of Mississippi.

138 Section 7. All bonds and interest coupons issued under the  
139 provisions of this act have all the qualities and incidents of  
140 negotiable instruments under the provisions of the Uniform  
141 Commercial Code, and in exercising the powers granted by this act,  
142 the commission shall not be required to and need not comply with  
143 the provisions of the Uniform Commercial Code.

144 Section 8. The commission shall act as the issuing agent for  
145 the bonds authorized under this act, prescribe the form of the  
146 bonds, advertise for and accept bids, issue and sell the bonds so  
147 authorized to be sold, pay all fees and costs incurred in the  
148 issuance and sale, and do any and all other things necessary and  
149 advisable in connection with the issuance and sale of such bonds.  
150 The commission is authorized and empowered to pay the costs that  
151 are incident to the sale, issuance and delivery of the bonds  
152 authorized under this act from the proceeds derived from the sale  
153 of the bonds. The commission shall sell the bonds on sealed bids  
154 at public sale, and for such price as it may determine to be for  
155 the best interest of the State of Mississippi, but no such sale  
156 shall be made at a price less than par plus accrued interest to  
157 the date of delivery of the bonds to the purchaser. All interest  
158 accruing on the bonds so issued shall be payable semiannually or

159 annually; however, the first interest payment may be for any  
160 period of not more than one (1) year.

161 Notice of the sale of any such bonds shall be published at  
162 least one time, not less than ten (10) days before the date of  
163 sale, and shall be so published in one or more newspapers  
164 published or having a general circulation in the City of Jackson,  
165 Mississippi, and in one or more other newspapers or financial  
166 journals with a national circulation, to be selected by the  
167 commission.

168 The commission, when issuing any bonds under the authority of  
169 this act, may provide that bonds, at the option of the State of  
170 Mississippi, may be called in for payment and redemption at the  
171 call price named therein and accrued interest on such date or  
172 dates named therein.

173 Section 9. The bonds issued under the provisions of this act  
174 are general obligations of the State of Mississippi, and for the  
175 payment thereof the full faith and credit of the State of  
176 Mississippi is irrevocably pledged. If the funds available in the  
177 Department of Marine Resources Equipment and Facilities Sinking  
178 Fund and any funds appropriated by the Legislature are  
179 insufficient to pay the principal of and the interest on the bonds  
180 as they become due, then the deficiency shall be paid by the State  
181 Treasurer from any funds in the State Treasury not otherwise  
182 appropriated. All the bonds shall contain recitals on their faces  
183 substantially covering the provisions of this section.

184 Section 10. Upon the issuance and sale of bonds under the  
185 provisions of this act, the commission shall transfer the proceeds  
186 of any such sale or sales to the special fund created in Section 2  
187 of this act. The proceeds of the bonds shall be disbursed solely  
188 upon the order of the executive director of the department under  
189 such restrictions, if any, as may be contained in the resolution  
190 providing for the issuance of the bonds.

191           Section 11. The bonds authorized under this act may be  
192 issued without any other proceedings or the happening of any other  
193 conditions or things other than those proceedings, conditions and  
194 things which are specified or required by this act. Any  
195 resolution providing for the issuance of bonds under the  
196 provisions of this act shall become effective immediately upon its  
197 adoption by the commission, and any such resolution may be adopted  
198 at any regular or special meeting of the commission by a majority  
199 of its members.

200           Section 12. The bonds authorized under the authority of this  
201 act may be validated in the Chancery Court of the First Judicial  
202 District of Hinds County, Mississippi, in the manner and with the  
203 force and effect provided by Chapter 13, Title 31, Mississippi  
204 Code of 1972, for the validation of county, municipal, school  
205 district and other bonds. The notice to taxpayers required by  
206 such statutes shall be published in a newspaper published or  
207 having a general circulation in the City of Jackson, Mississippi.

208           Section 13. Any holder of bonds issued under the provisions  
209 of this act or of any of the interest coupons pertaining thereto  
210 may, either at law or in equity, by suit, action, mandamus or  
211 other proceeding, protect and enforce any and all rights granted  
212 under this act, or under such resolution, and may enforce and  
213 compel performance of all duties required by this act to be  
214 performed, in order to provide for the payment of bonds and  
215 interest thereon.

216           Section 14. All bonds issued under the provisions of this  
217 act shall be legal investments for trustees and other fiduciaries,  
218 and for savings banks, trust companies and insurance companies  
219 organized under the laws of the State of Mississippi, and such  
220 bonds shall be legal securities which may be deposited with and  
221 shall be received by all public officers and bodies of this state  
222 and all municipalities and political subdivisions for the purpose  
223 of securing the deposit of public funds.

224           Section 15. Bonds issued under the provisions of this act  
225 and income therefrom shall be exempt from all taxation in the  
226 State of Mississippi.

227           Section 16. The proceeds of the bonds issued under this act  
228 shall be used solely for the purposes herein provided, including  
229 the costs incident to the issuance and sale of such bonds.

230           Section 17. The State Treasurer is authorized, without  
231 further process of law, to certify to the Department of Finance  
232 and Administration the necessity for warrants, and the Department  
233 of Finance and Administration is authorized and directed to issue  
234 such warrants, in such amounts as may be necessary to pay when due  
235 the principal of, premium, if any, and interest on, or the  
236 accreted value of, all bonds issued under this act; and the State  
237 Treasurer shall forward the necessary amount to the designated  
238 place or places of payment of the bonds in ample time to discharge  
239 the bonds, or the interest thereon, on the due dates thereof.

240           Section 18. From the funds it receives under Section  
241 29-15-9, Mississippi Code of 1972, the Commission on Marine  
242 Resources shall deposit the amount of funds necessary to annually  
243 pay the principal of and interest on bonds issued pursuant to this  
244 act into the Department of Marine Resources Equipment and  
245 Facilities Bond Sinking Fund created in Section 3 of this act.  
246 Any funds received by the Commission on Marine Resources under  
247 Section 29-15-9, and used by the Commission on Marine Resources  
248 for any purpose related to the cost of necessary equipment and  
249 repairs, renovation and construction of facilities necessary for  
250 the improvement of the marine resources of the state, other than  
251 for deposit into the Department of Marine Resources Equipment and  
252 Facilities Bond Sinking Fund created in Section 3 of this act,  
253 shall be subject to legislative appropriation.

254           Section 19. This act shall be deemed to be full and complete  
255 authority for the exercise of the powers herein granted, but this



256 act shall not be deemed to repeal or to be in derogation of any  
257 existing law of this state.

258           **SECTION 2.** This act shall take effect and be in force from  
259 and after its passage.